



ANTONIO R. VILLARAIGOSA
MAYOR

April 24, 2008

Honorable Members of the City Council
City Hall, Room 395
200 North Spring Street
Los Angeles, California 90012

Council District 4

REGARDING: THE LARCHMONT VILLAGE (PROPERTY-BASED) BUSINESS
IMPROVEMENT DISTRICT'S 2008 FISCAL YEAR ANNUAL
PLANNING REPORT

Honorable Members:

The Office of the City Clerk has received the Annual Planning Report for the Larchmont Village Business Improvement District's ("District") 2008 fiscal year (CF 06-2371). The owners' association of the District has caused to be prepared the Annual Planning Report for City Council's consideration. In accordance with Section 36600 et seq. of the California Streets and Highways Code ("State Law"), an Annual Planning Report for the District must be submitted for approval by the City Council. The Larchmont Village Business Improvement District's Annual Planning Report for the 2008 fiscal year is presented with this transmittal for City Council's consideration as "Attachment 1."

BACKGROUND

The Larchmont Village Business Improvement District was established on October 2, 2002 by and through the City Council's adoption of Ordinance No. 174,873, which confirmed the assessments to be levied upon properties within the District, as described in the District's Management District Plan. The City Council established the District pursuant to State Law.

ANNUAL PLANNING REPORT REQUIREMENTS

The State Law requires that the District's owners' association shall cause to be prepared, for City Council's consideration, an Annual Planning Report for each fiscal year for which assessments are to be levied and collected to pay for the costs of the planned District improvements and activities. The Annual Planning Report shall be filed with the City Clerk and shall refer to the district by name, specify the fiscal year to which

JOBS, BUSINESS GROWTH
& TAX REFORM

the report applies, and, with respect to that fiscal year, shall contain all of the following: any proposed changes in the boundaries of the district or in any benefit zones within the district; the improvements and activities to be provided for that fiscal year; an estimate of the cost of providing the improvements and the activities for that fiscal year; the method and basis of levying the assessment in sufficient detail to allow each real property owner to estimate the amount of the assessment to be levied against his or her property for that fiscal year; the amount of any surplus or deficit revenues to be carried over from a previous fiscal year; and the amount of any contributions to be made from sources other than assessments levied.

The attached Annual Planning Report complies with the requirements of the State Law and reports that programs will continue, as outlined in the Management District Plan adopted by the District property owners. The City Council may approve the Annual Planning Report as filed by the District's owners' association or may modify any particulars contained in the Annual Planning Report, in accordance with State Law, and approve it as modified.

FISCAL IMPACT

There is no impact to the General Fund associated with this action.

RECOMMENDATIONS

That the City Council:

1. FIND that the attached Annual Planning Report for the Larchmont Village Business Improvement District's 2008 fiscal year complies with the requirements of the State Law.
2. ADOPT the attached Annual Planning Report for the Larchmont Village Business Improvement District's 2008 fiscal year, pursuant to the State Law.

Sincerely,



Karen E. Kalfayan
City Clerk

KEK:HLW:MCP:RMH:ev

Attachment: Larchmont Village Business Improvement District's 2008 Fiscal Year Annual Planning Report

**Larchmont Village Property Owners Association
200 North Larchmont Boulevard
Los Angeles, California 90004-3703
Phone (323) 463-4220
Fax (323) 463-4412**

March 19, 2008

Mr. Rick Scott
Administrative Services
Office of the City Clerk, Room 224
200 North Spring Street
Los Angeles, CA 90012

Dear Mr. Scott:

**Re: Activity and Budget Report for Fiscal Year 2007 and Annual Planning
Report for Fiscal Year 2008**

As required by Section 2 (B) of the Agreement between the City of Los Angeles and the Larchmont Village Property Owners Association, this submittal constitutes the Activity Report for the Year X (Fiscal Year 2007) of the Larchmont Village Business Improvement District, and the Budget Report for Year XI (Fiscal Year 2008).

The Larchmont Village property-based Business Improvement District (LVPBID), a two block long (1 single, uninterrupted block) corridor, is located within the heart of historic Larchmont Village, bounded on the north by Beverly Boulevard and on the south by First Street. Larchmont Village attracts thousands of tourists each year by its graceful, charming ambience, and also, with its broad range of retail destinations, serves the day-to-day shopping needs of the surrounding residential neighborhood.

The LVPBID was established by City Council ordinance on August 5, 1997. Its first year of operations (and fiscal year) commenced on January 1, 1998 with a Year 1 budget of \$40,000 to accomplish the following activities, which addressed the priorities within the Management Plan. On October 2, 2002 the Larchmont Village Business Improvement district was renewed for a period of 10 years, January 1, 2003 to and including December 31, 2012. The first year's budget for the renewal period is \$65,000 and the projected budget for 2008 is \$71,000.

In broad terms, the purpose and focus of the LVPBID was to upgrade the exterior environment for shoppers, tourists, business owners and their employees. Specifically, this focus included maintaining, as budget allowed, the surface of the sidewalks with regular pressure cleaning; annual trimming of the ficus trees; providing a sidewalk porter at least one day a week to keep the sidewalks and gutters free of litter; and, on a phased, multi-year schedule, carry out repairs of the sidewalk where the ficus tree roots had caused severe and hazardous buckling. Security was added to this activity for the renewal of the BID.

2007 (4th Quarter) Activities

Maintenance

Sidewalk Maintenance: The LVBID continued a contract throughout this quarter for monthly pressure cleaning of the east and west side of Larchmont Boulevard between 1st Street and Beverly Blvd. The vendor is The Resource Collection, who is also responsible for pressure cleaning the lids on the sidewalk trash receptacles on the 2nd Tuesday of each month. The contract for the 3-yard trash container that is placed in the City parking lot and used by the porter for trash collection was cancelled.

Sidewalk Porter: Clean Street was selected to provide both trash collection and porter services for Larchmont Blvd.

Maintenance Supplies: This is a new budget item that was included in Year III. Since using the Clean Street company there is no need for the BID to supply trash bags. The City has a service whereby they provide trash bags to various BID's and Larchmont has been using this service.

Independent Contractor Trash Collection: Clean Street was selected to provide both trash collection and porter services for Larchmont Blvd.

Tree Trimming: The LVBID assumed the responsibility of trimming the district's 45 mature ficus trees and 1 palm tree to ensure trimming was accomplished to the City's specifications, and to ensure aesthetic consistency. The trees are pruned in the last quarter of each year. Trees were trimmed in the 4th quarter at a cost of \$11,000, same as 2 years ago.

Sidewalk Repair: Beyond instituting regular maintenance of the sidewalks and trees, the management Plan noted the need to correct physical hazards on the sidewalks that had been caused by uplifted tree roots, which created a very real liability risk to the adjoining property owners and the City of Los Angeles.

Based upon a consulting study that was performed in 1998, a First Phase of repair was designated, consisting of approximately 1,800 sq. ft of sidewalk on the northeast side of Larchmont Boulevard. This work included root treatment for six trees, installation of root barriers and installation of new sidewalk. The Resource Collection was retained to undertake the First Phase of sidewalk repair.

Although the First Phase work was engineered during fiscal year 1999, the actual construction and root treatment did not begin until January 2000. Over a period of six weeks, the sidewalk was removed, tree roots trimmed under the supervision of the City Department of Street trees, root barriers were installed around 3 sides of each tree, and new sidewalk installed. The work was coordinated with the City Department of Transportation who oversaw the removal and reinstallation of parking meters, the

Department of Public Works who inspected the sidewalk removal and reinstallation, and the Department of Street Trees.

Sections A and B were completed in Year III and Section C was completed during 2001. In 2002 repairs were undertaken at two locations, 119 N. Larchmont (Coldwell Banker building) and 223 to 225-1/2 N. Larchmont (Wine shop, Noni & Girasole). The property owners paid \$19,675.00 and the BID paid for the City 10' portion at a cost of \$13,093.00.

A bid was received from RGA Construction. for the repairs of damaged sidewalks from 131 N. Larchmont through 141-1/2 N. Larchmont. This consists of 136 lineal feet of sidewalk frontage. The total cost of the project was \$25,000 of which the BID will be responsible for \$17,000. The work was completed in the last quarter at a total cost \$21,759.50 with two property owners reimbursing the BID for work done on their 5' setback in the amount of \$8,075.81 for a net cost to the BID of \$13,683.69.

The sidewalk in front of 217 N. Larchmont, this is just north of the City surface parking lot, was removed and a new sidewalk put in. The damaged sidewalk was due to the ficus tree on the City sidewalk. The new sidewalk was and area of 393 sq. ft. and the total cost was \$5,500. The owner's portion was \$2,700 and the BID portion was \$2,800. The work was completed in April, 2005.

Additional sidewalk repairs were planned for the 4th quarter of 2005 but this was not done because of the BID's inability to get the City to waive permit fees. No sidewalk repairs were done in 2006. There are 3 areas that are in dire need of repair.

During the 2nd quarter 2006 a contract has been signed to clean out the tree wells and fill the areas with black lava rock. This work was performed at a cost of \$7,827.22 and it has been very effective.

No other sidewalk repairs are scheduled for this fiscal year.

Insurance

Directors and Officers insurance premiums are paid in the 2nd quarter of each year.

Adm./Mgt Services

Metropolitan Holding Company provides the day to day management of the BID and charges \$350 per month.

Sidewalk Security

This is a new category for the renewed BID. The merchant's association had been paying for a part time security guard who provided both safety and assisted people that had problems because of the uneven sidewalks caused by the ficus tree roots. The BID

agreed to help with the cost of the security guard, which was started with the holiday season, Christmas 2002. The total budget for this category is an annual of \$24,000. The BID contributes \$20,000. However, due to budgetary constraints this year the BID will only be able to contribute \$15,000.

Contingency & Reserve

The BID has been receiving an annual donation of \$1,000.00 from the Dept. of Water & Power for holiday decorations. This amount was increased to \$2,000 this year. This money is passed on to the LBA due to the fact that they are the ones that provide the decorations.

2008 (Year XI) Projected Activities

Revenues

The anticipated Year XI Assessment Revenue projection is \$74,152 with a projected collection total of \$70,561.

Activities

Year XI (2008) activities will largely represent a continuation of activities begun in 1998 with the exception of adding a part time security guard to the boulevard. This was approved by the property owners with the renewal of the BID for a new term of 10 years.

Annual Planning Report

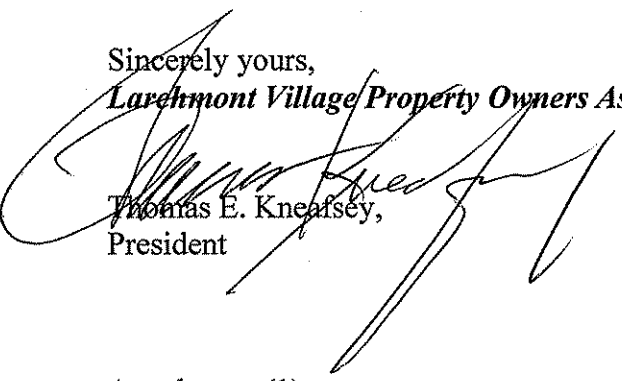
As required by the Property and Business Improvement District Law of 1994, California Street and Highway Code Section 36650, the Board of the Larchmont Village Property Owners Association, a California nonprofit corporation, has caused this Larchmont Village Business Improvement District Annual Planning Report to be prepared at its meeting on November 12, 2007. This report covers proposed activities from January 1, 2008 through December 31, 2008.

Conclusion

Thank you for your assistance throughout the last 9 years of the LVPID's operation and Larchmont Property Owners Association looks forward to the next 5 years of success in this program. Your office has been very helpful in guiding this volunteer program as has been the case with the assistance of our new 4th District Councilman, Tom LaBonge.

BUDGET LINE ITEM	ANNUAL BUDGET 2007	AMOUNT SPENT THIS QUARTER 10/01/07-12/31/07	AMOUNT SPENT YEAR TO DATE 1/01/07-12/31/07	PROJECTED SPENDING FOR NEXT QUARTER 1/01/08-3/31/08
Security	\$15,000.00	\$10,000.00	\$15,000.00	\$5,000.00
Sidewalk and trash bin maintenance	\$33,389.00	\$23,016.32	\$39,792.54	\$2,845.00
Tree Pruning	\$11,000.00	\$0.00	\$11,000.00	\$0.00
Sidewalk repairs	\$2,000.00	\$0.00	\$0.00	\$0.00
Adm/Operating expenses	\$10,200.00	\$1,050.00	\$10,225.00	\$1,050.00
Contingency / Reserves	\$100.00	\$0.00	\$0.00	\$0.00
TOTAL	\$71,689.00	\$34,066.32	\$76,017.54	\$8,895.00

Sincerely yours,
Larchmont Village Property Owners Association


 Thomas E. Kneafsey,
 President

Attachment (1)

**Larchmont Village Property Owners Assoc.
Profit & Loss
January through December 2007**

	Jan - Dec 07
Income	
Donation	2,000.00
Interest Inc	12.67
Loan	10,000.00
PBID	68,438.38
Total Income	80,451.05
Expense	
Accounting	349.00
Adm Services	4,200.00
Bank Charge	-150.00
Holiday Dec	2,000.00
Insurance	
Dir & Officers Liability	2,370.00
Total Insurance	2,598.00
Insurance, Bus Janitorial	4,968.00
Consolidated	-25.34
Porter	17,103.00
Supplies	8,350.00
Janitorial - Other	582.00
Total Janitorial	2,952.27
Legal	28,987.27
Legal-Prof Fees	78.00
Licenses and Permits	600.00
Loan Payback	-20.00
Maintenance	10,000.00
Steam Cleaning	
Total Maintenance	6,592.87
Reconciliation Discrepancies	
Rubbish	0.33
Security	991.98
Sidewalks	15,000.00
Tax	1,300.00
State	
Total Tax	30.00
Tree Pruning	30.00
Total Expense	11,000.00
Total Expense	85,902.11
Net Income	-5,451.06

**Larchmont Village Property Owners Assoc.
Balance Sheet
As of December 31, 2007**

	Dec 31, 07
ASSETS	
Current Assets	
Checking/Savings	442.60
LVPOA	442.60
Total Checking/Savings	
Accounts Receivable	-197.47
Accounts Receivable	-197.47
Total Accounts Receivable	
Total Current Assets	245.13
TOTAL ASSETS	245.13
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	-2,090.42
Accounts Payable	-2,090.42
Total Accounts Payable	
Other Current Liabilities	5,000.00
Larchmont Village Investors	5,000.00
Total Other Current Liabilities	
Total Current Liabilities	2,909.58
Total Liabilities	2,909.58
Equity	
Opening Bal Equity	1,351.45
Retained Earnings	1,435.16
Net Income	-5,451.06
Total Equity	-2,664.45
TOTAL LIABILITIES & EQUITY	245.13

LARCHMONT VILLAGE PROPERTY OWNERS BUSINESS IMPROVEMENT DISTRICT

**Larchmont Village
Property Owners Association**

**January 25, 2008
4th Quarter 2007**

LaLuna Restaurant is now leased to Le Pain Quotidien, a bakery and restaurant. There are about 6 similar bakeries in the Los Angeles area, the nearest being on Robertson Ave. This operation should be a big success and will be well received on Larchmont. Meetings were held at City Hall with Tom LaBonge in an attempt to do some positive things to make Larchmont Blvd. more attractive to the community. Tom Kneafsey suggested going back to the 24 commercial property owners on Larchmont and getting the BID budget increased to an amount where all the necessary services could be provided. However, for some strange reason Tom LaBonge decided to submit a motion to the City Council increasing the development and use restrictions on the boulevard. This will have no positive affect and could be very damaging to the long term growth of the street. The only logical motive for this had to be one that might appeal to the very vocal group of residents that protested the closing of La Luna. Such a disappointment!!!!

The financials for the 3rd Quarter 2007 are as follows:

BUDGET LINE ITEM	ANNUAL BUDGET 2007	AMOUNT SPENT THIS QUARTER 10/01/07-12/31/07	AMOUNT SPENT YEAR TO DATE 1/01/07-12/31/07	PROJECTED SPENDING FOR NEXT QUARTER 1/01/08-3/31/08
Security	\$15,000.00	\$10,000.00	\$15,000.00	\$5,000.00
Sidewalk and trash bin maintenance	\$33,389.00	\$23,016.32	\$39,792.54	\$2,845.00
Tree Pruning	\$11,000.00	\$0.00	\$11,000.00	\$0.00
Sidewalk repairs	\$2,000.00	\$0.00	\$0.00	\$0.00
Adm/Operating expenses	\$10,200.00	\$1,050.00	\$10,225.00	\$1,050.00
Contingency / Reserves	\$100.00	\$0.00	\$0.00	\$0.00
TOTAL	\$71,689.00	\$34,066.32	\$76,017.54	\$8,895.00

Addendum to the Larchmont Village Property and Business Improvement District's 2008 Annual Planning Report submitted by the Larchmont Village Property Owners' Association

District Boundary Changes for Fiscal Year 2008

There are no proposed changes in the boundaries within the Larchmont Village Property and Business Improvement District (District) for fiscal year 2008.

There are no benefit zones in the Larchmont Village Business Improvement District.

District Improvements and Activities for Fiscal Year 2008

The Improvements and Activities for fiscal year 2008 include: Sidewalk Cleaning, Sidewalk Trash Collection, Sidewalk Supplies, Sidewalk Repair; Tree Trimming; Sidewalk Security; Administrative and Management Services; Insurance; and Miscellaneous costs.

Estimate Cost of District Improvements and Activities for Fiscal Year 2008

Maintenance

Sidewalk Cleaning	\$15,400 (incl. maintenance & sidewalk supplies)
Sidewalk Trash Coll.	\$25,000
Sidewalk Repair	\$ -0.-
Tree Trimming	\$ -0.-
Security	\$15,000
Admin/Mgt Services	\$5,300
Insurance	\$5,000
Loan Repayment	\$5,000
Taxes/Fees/Permits	\$100
Reserves	\$222

Total	\$71,022
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Method and Basis of Levying the District Assessment

The Method and Basis of levying the Annual Assessment is based on linear street frontage of each assessable parcel at a rate of \$34.07 per linear foot of street frontage along North Larchmont Boulevard. In accordance with the CPI Index for the Los Angeles region, the District's Owners' Association approved an annual assessment rate increased of 3 percent (the maximum amount allowed by the District's Management District Plan) for fiscal year 2008.

Amount of Surplus or Deficit to be Carried Over from a Previous Fiscal Year

There is a surplus of \$441.50 to be carried forward into fiscal year 2008.
There are no deficit revenues to be carried forward from a previous fiscal year.

Contributions to the District from Other Sources

There are no contributions to the District from sources other than assessments levied for fiscal year 2008; with the exception of a \$2,000 annual contribution from the LA City Department of Water & Power

Larchmont Village Property Business Improvement District			
2007 Expenditures			
2008 Projected Budget			
TIN: 95-4687714	Fiscal Year 2007	Fiscal Year 2007	Fiscal Year 2008
	Annual Budget	Annual Expenditures	Annual Budget
<u>Statement of Activities</u>	<u>1/1/07 - 12/31/07</u>	<u>1/1/07 - 12/31/07</u>	<u>1/1/08 - 12/31/08</u>
Support and Revenue			
Projected Assessment	71,784.24		74,152.37
Assessment Revenue	68,192.88	68,438.38	70,561.01
Borrowed Funds		5,000.00	
Reimbursement			
Interest Income	50.00	11.59	20.00
Balance from Prior Year	\$3,475.68	3,475.68	\$441.50
Total Revenue	71,718.56	76,925.65	71,022.51
Expenses			
Sidewalk Cleaning (Steam)	8,084.16	8,680.34	8,500.00
Sidewalk Daily Maintenance	1,300.00	1,350.00	6,400.00
Sidewalk Porter	11,400.00	10,800.00	25,000.00
Sidewalk Supplies	1,000.00	482.27	500.00
Trash Liners (LBA)	605.00	1,005.00	0.00
Trash Pick-Up	9,900.00	16,500.00	0.00
Trash Bin (parking lot)	1,100.00	994.93	0.00
Tree Trimming	11,000.00	11,000.00	0.00
Sidewalk Repair	2,000.00	0.00	0.00
Administrative (MHC)	4,200.00	4,200.00	4,200.00
Insurance	4,400.00	4,968.00	5,000.00
Adm./Mgt. Services	1,500.00	1,037.33	1,100.00
Taxes/Fees/Permits	100.00	0.00	100.00
Sidewalk Security	15,000.00	15,000.00	15,000.00
Loan Repayment			5,000.00
Miscellaneous	100.00	466.28	0.00
Total Expenses	71,589.16	76,484.15	70,800.00
Balance Remaining	129.40	441.50	222.51